

BEFORE THE
DIVISION OF MEDICAL QUALITY
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation)
Against:)
)
PETER A. AHLES, M.D.)
Certificate No. C-29552)
)
Respondent.)
_____)

No. 04-96-59403


DECISION

The attached Stipulation in Settlement and Decision is hereby adopted by the Division of Medical Quality as its Decision in the above-entitled matter.

This Decision shall become effective on August 22, 1997.

IT IS SO ORDERED July 23, 1997.

By: _____


IRA LUBELL, M.D.
Chairperson, Panel A
Division of Medical Quality

1 DANIEL E. LUNGREN, Attorney General
of the State of California
2 STEVEN V. ADLER,
Deputy Attorney General, State Bar No. 55392
3 Department of Justice
110 West A Street, Suite 1100
4 Post Office Box 85266
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5 Telephone: (619) 645-2072
6 Attorneys for Complainant
7

8 **BEFORE THE**
9 **DIVISION OF MEDICAL QUALITY**
10 **MEDICAL BOARD OF CALIFORNIA**
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

11 In the Matter of the Accusation)	NO. 04-96-59403
12 Against:)	
)	L-9611092
13 PETER A. AHLES, M.D.)	
3340 W. Ball Rd., Suite F)	<u>STIPULATION IN</u>
Anaheim, CA 92804)	<u>SETTLEMENT AND DECISION</u>
)	
14 Physician's and Surgeon's)	
15 Certificate No. C 29552)	
)	
16 Respondent.)	
)	

17
18 In the interest of a prompt and speedy settlement of
19 this matter, consistent with the public interest and the
20 responsibility of the Division of Medical Quality, Medical Board
21 of California, Department of Consumer Affairs ("Division") the
22 parties submit this Stipulation and Decision to the Division for
23 its approval and adoption as the final disposition of the
24 Accusation.

25 The parties stipulate the following is true:

26 1. An Accusation, No. 04-96-59403, is currently
27 pending against Peter A. Ahles, M.D. ("respondent"), before the
28 Division. The Accusation, together with all other statutorily

1 required documents, was filed on October 23, 1996, and duly
2 served on the respondent. Respondent filed his Notice of Defense
3 (contesting the Accusation) on or about November 6, 1996. A copy
4 of Accusation No. 04-96-59403 is attached as Attachment "A" and
5 incorporated by reference as if fully set forth.

6 2. At all times relevant herein, respondent has been
7 licensed by the Medical Board of California ("Board") under
8 Physician's and Surgeon's Certificate No. C 29552.

9 3. Respondent is represented by counsel Stanton T.
10 Matthews, Esq., in this matter. Respondent has fully and
11 completely discussed with his counsel the effects of this
12 Stipulation.

13 4. Respondent understands the nature of the charges
14 alleged in the Accusation and that the charges and allegations
15 constitute cause for imposing discipline upon his license to
16 practice medicine. Respondent is fully aware of his right to a
17 hearing on the charges and allegations contained in said
18 Accusation, his right to reconsideration, appeal and all other
19 rights accorded pursuant to the California Business and
20 Professions Code and Government Code and freely and voluntarily
21 waives such rights.

22 5. Respondent admits the truth of each and every
23 allegation of the Accusation No. 04-96-59403, and agrees that
24 respondent has thereby subjected his license to discipline.
25 Respondent agrees to the Division's imposition of penalty as set
26 out in the Order below.

27 6. Admissions made by respondent herein are for
28 purposes of this proceeding, for any other disciplinary

1 proceedings by the Division, and for any petition for
2 reinstatement, reduction of penalty, or application for
3 relicensure, and shall have no force or effect in any other case
4 or proceeding.

5 7. It is understood by respondent that, in deciding
6 whether to adopt this Stipulation, the Division may receive oral
7 and written communications from its staff and the Attorney
8 General's office. Communications pursuant to this paragraph
9 shall not disqualify the Division or other persons from future
10 participation in this or any other matter affecting respondent.
11 In the event this settlement is not adopted by the Division, the
12 Stipulation will not become effective and may not be used for any
13 purpose, except for this paragraph, which shall remain in effect.

14 8. In consideration of the foregoing admissions and
15 findings, the parties agree that the Division may, without
16 further notice of formal proceeding, issue and enter an Order as
17 follows:

18 ORDER

19 IT IS HEREBY ORDERED that Physician's and Surgeon's
20 Certificate number C 29552 (currently in a probationary status)
21 issued to Peter A. Ahles, M.D., is revoked. However, the
22 revocation is stayed and respondent is placed on probation for
23 three (3) years from the effective date of this Decision on the
24 following terms and conditions.

25 Within fifteen (15) days after the effective date of
26 this Decision, respondent shall provide the Division, or its
27 designee, proof that respondent has served a true copy of this
28 Decision on the Chief of Staff or the Chief Executive Officer at

1 every hospital where privileges or membership are extended to
2 respondent or where respondent is employed to practice medicine
3 and on the Chief Executive Officer at every insurance carrier
4 where malpractice insurance coverage is extended to respondent.

5 1. ALCOHOL - ABSTAIN FROM USE

6 Respondent shall continue to abstain completely from
7 the use of alcoholic beverages.

8 2. BIOLOGICAL FLUID TESTING

9 Respondent shall continue to immediately submit to
10 biological fluid testing, at respondent's cost, upon the request
11 of the Division or its designee.

12 3. EDUCATION COURSE

13 Within 90 days from the effective date of this
14 Decision, and on an annual basis thereafter, respondent shall
15 submit to the Division or its designee for its prior approval an
16 educational program or course to be designated by the Division,
17 which shall not be less than 40 hours per year, for each year of
18 probation. This program shall be in addition to the Continuing
19 Medical Education requirements for re-licensure. Following the
20 completion of each course, the Division or its designee may
21 administer an examination to test respondent's knowledge of the
22 course. Respondent shall provide proof of attendance for 65
23 hours of continuing medical education of which 40 hours were in
24 satisfaction of this condition and were approved in advance by
25 the Division or its designee.

26 4. PSYCHIATRIC EVALUATION

27 Respondent is currently under the care and supervision
28 of David M. Sheffner, M.D., a Board-certified psychiatrist

1 approved by the Division or its designee, as a condition of his
2 existing probation. If ordered by Dr. Sheffner, within 30 days
3 of the effective date of this Decision, and on a periodic basis
4 thereafter as may be required by Dr. Sheffner, the Division or
5 its designee, respondent shall undergo a psychiatric evaluation
6 (and psychological testing, if deemed necessary) by Dr. Sheffner
7 or a Division-approved psychiatrist, who shall furnish an
8 evaluation report to the Division or its designee. The
9 respondent shall pay the cost of the psychiatric evaluation.

10 If respondent is required by Dr. Sheffner, the Division
11 or its designee to undergo psychiatric treatment, respondent
12 shall within 30 days of the requirement notice submit to Dr.
13 Sheffner and the Division for its prior approval the name and
14 qualifications of a psychiatrist of respondent's choice.
15 Respondent shall undergo and continue psychiatric treatment until
16 further notice from the Division or its designee. Respondent
17 shall have the treating psychiatrist submit quarterly status
18 reports to Dr. Sheffner, the Division or its designee indicating
19 whether the respondent is capable of practicing medicine safely.

20 5. MEDICAL EVALUATION

21 As a condition of his existing probation, respondent
22 has undergone a medical evaluation under the direction of Dr.
23 Sheffner. If ordered by Dr. Sheffner, within 30 days of the
24 effective date of this Decision, and on a periodic basis
25 thereafter as may be required by Dr. Sheffner, the Division or
26 its designee, respondent shall undergo a medical evaluation by a
27 Division-appointed physician who shall furnish a medical report
28 to Dr. Sheffner, the Division or its designee.

1 If respondent is required by Dr. Sheffner, the Division
2 or its designee to undergo medical treatment, respondent shall
3 within 30 days of the requirement notice submit to the Division
4 or its designee for its prior approval the name and
5 qualifications of a physician of respondent's choice. Upon
6 approval of the treating physician, respondent shall undergo and
7 continue medical treatment until further notice from the Division
8 or its designee. Respondent shall have the treating physician
9 submit quarterly reports to the Division or its designee
10 indicating whether the respondent is capable of practicing
11 medicine safely. The respondent shall pay the cost of the
12 medical evaluation.

13 6. MONITORING

14 Respondent is presently required to practice medicine
15 under the supervision of a Division-approved monitor.
16 Respondent's practice shall continue to be monitored by his
17 present practice monitor, another physician in respondent's field
18 of practice, who shall continue to provide periodic reports to
19 the Division or its designee.

20 If the monitor resigns or is no longer available,
21 respondent shall, within 15 days, move to have a new monitor
22 appointed, through nomination by respondent and approval by the
23 Division or its designee.

24 Respondent is prohibited from engaging in solo
25 practice.

26 7. OBEY ALL LAWS

27 Respondent shall obey all federal, state and local
28 laws, all rules governing the practice of medicine in California,

1 and remain in full compliance with any court ordered criminal
2 probation, payments and other orders.

3 8. **QUARTERLY REPORTS**

4 Respondent shall submit quarterly declarations under
5 penalty of perjury on forms provided by the Division, stating
6 whether there has been compliance with all the conditions of
7 probation.

8 9. **PROBATION SURVEILLANCE PROGRAM COMPLIANCE**

9 Respondent shall comply with the Division's probation
10 surveillance program. Respondent shall, at all times, keep the
11 Division informed of his or her addresses of business and
12 residence which shall both serve as addresses of record. Changes
13 of such addresses shall be immediately communicated in writing to
14 the Division. Under no circumstances shall a post office box
15 serve as an address of record.

16 Respondent shall also immediately inform the Division,
17 in writing, of any travel to any areas outside the jurisdiction
18 of California which lasts, or is contemplated to last, more than
19 thirty (30) days.

20 10. **INTERVIEW WITH THE DIVISION, ITS DESIGNEE OR ITS
21 DESIGNATED PHYSICIAN(S)**

22 Respondent shall appear in person for interviews with
23 the Division, its designee or its designated physician(s) upon
24 request at various intervals and with reasonable notice.

25 11. **TOLLING FOR OUT-OF-STATE PRACTICE, RESIDENCE OR
26 IN-STATE NON-PRACTICE**

27 In the event respondent should leave California to
28 reside or to practice outside the State or for any reason should
respondent stop practicing medicine in California, respondent

1 shall notify the Division or its designee in writing within ten
2 days of the dates of departure and return or the dates of non-
3 practice within California. Non-practice is defined as any
4 period of time exceeding thirty days in which respondent is not
5 engaging in any activities defined in Sections 2051 and 2052 of
6 the Business and Professions Code. All time spent in an
7 intensive training program approved by the Division or its
8 designee shall be considered as time spent in the practice of
9 medicine. Periods of temporary or permanent residence or
10 practice outside California or of non-practice within California,
11 as defined in this condition, will not apply to the reduction of
12 the probationary period.

13 **12. COMPLETION OF PROBATION**

14 Upon successful completion of probation, respondent's
15 certificate shall be fully restored.

16 **13. VIOLATION OF PROBATION**

17 If respondent violates probation in any respect, the
18 Division, after giving respondent notice and the opportunity to
19 be heard, may revoke probation and carry out the disciplinary
20 order that was stayed. If an accusation or petition to revoke
21 probation is filed against respondent during probation, the
22 Division shall have continuing jurisdiction until the matter is
23 final, and the period of probation shall be extended until the
24 matter is final.

25 **14. COST RECOVERY**

26 The respondent is hereby ordered to reimburse the
27 Division the amount of \$650 within 90 days from the effective
28 date of this Decision for its investigative and prosecution

1 costs. Failure to reimburse the Division's cost of its
2 investigation and prosecution shall constitute a violation of the
3 probation order, unless the Division agrees in writing to payment
4 by an installment plan because of financial hardship. The filing
5 of bankruptcy by the respondent shall not relieve the respondent
6 of his/her responsibility to reimburse the Division for its
7 investigative and prosecution costs.

8 15. PROBATION MONITORING COSTS

9 Respondent shall pay the costs associated with
10 probation monitoring each and every year of probation. Such
11 costs shall be payable to the Division at the beginning of each
12 calendar year. Failure to pay such costs shall constitute a
13 violation of probation.

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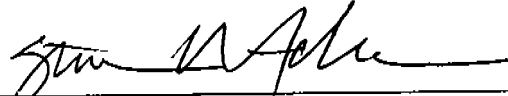
1 16. LICENSE SURRENDER

2 Following the effective date of this Decision, if
3 respondent ceases practicing due to retirement, health reasons or
4 is otherwise unable to satisfy the terms and conditions of
5 probation, respondent may voluntarily tender his/her certificate
6 to the Board. The Division reserves the right to evaluate the
7 respondent's request and to exercise its discretion whether to
8 grant the request, or to take any other action deemed appropriate
9 and reasonable under the circumstances. Upon formal acceptance
10 of the tendered license, respondent will no longer be subject to
11 terms and conditions of probation.

12 We concur in the Stipulation and Order.

13 DATED: 10 June 1997

14 DANIEL E. LUNGREN, Attorney General
15 of the State of California

16 

17 Steven V. Adler
18 Deputy Attorney General

19 Attorneys for Complainant

20 DATED: 3/2/97

21 

22 Stanton T. Matthews
23 Law Offices of Stanton T. Matthews
24 24012 Calle de la Plata, Ste. 320
25 Laguna Hills, CA 92653

26 Attorney for Respondent

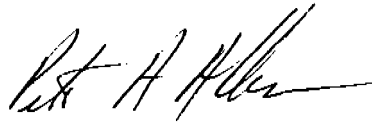
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ACKNOWLEDGEMENT

I have carefully read and fully understand the Stipulation and Order set forth above. I have discussed the terms and conditions set forth in the Stipulation and Order with my attorney Stanton T. Matthews, Esq. I understand that in signing this Stipulation I am waiving my right to a hearing on the charges set forth in the Accusation on file in this matter. I further understand that in signing this Stipulation the Division may enter the foregoing order placing certain requirements, restrictions and limitations on my right to practice medicine in the State of California.



PETER A. AHLES, M.D.
Respondent

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ATTACHMENT A

1 DANIEL E. LUNGREN, Attorney General
of the State of California
2 STEVEN V. ADLER,
Deputy Attorney General
3 State Bar No. 55392
Department of Justice
4 110 West A Street, Suite 1100
Post Office Box 85266
5 San Diego, California 92186-5266
Telephone: (619) 645-2071

6 Attorneys for Complainant
7

8 BEFORE THE
MEDICAL BOARD OF CALIFORNIA
9 DIVISION OF MEDICAL QUALITY OF THE BOARD
DEPARTMENT OF CONSUMER AFFAIRS
10 STATE OF CALIFORNIA

11 In the Matter of the Accusation)
Against:) NO. 04-96-59403
12)
PETER A. AHLES, M.D.)
13 17110 Bluewater) ACCUSATION
Huntington Beach, CA 92649)
14)
Physician's and Surgeon's)
15 Certificate No. C29552)
Respondent.)
16)
17

18 Complainant Ron Joseph, who as cause for disciplinary
19 action, alleges:

20 PARTIES

21 1. Complainant is the Executive Director of the
22 Medical Board of California ("Board") and makes and files this
23 Accusation solely in his official capacity.

24 2. On or about October 10, 1967, Physician's
25 and Surgeon's Certificate No. C29552 was issued by the Board
26 to Peter A. Ahles, M.D. ("respondent"). By a stipulated
27 Decision, No. D-4747, effective July 20, 1995, respondent's

1 license was revoked, said revocation stayed, and respondent was
2 placed on probation for three years on certain terms and
3 conditions. Said license expires March 31, 1997.

4 JURISDICTION

5 3. This Accusation is made in reference to the
6 following statutes of the California Business and Professions
7 Code ("Code"):

8 A. Section 2227 provides, in pertinent part, that
9 the Division may revoke, suspend for a period not to exceed
10 one year, or place on probation and order the payment of
11 probation monitoring costs, the license of any licensee who
12 has been found guilty under the Medical Practice Act.

13 B. Section 2234 provides, in pertinent part,
14 that the Division of Medical Quality shall taken action
15 against any licensee who is charged with unprofessional
16 conduct.^{1/}

17 C. Section 2234 provides, in pertinent part,
18 that unprofessional conduct includes, but is not
19 limited to, the following:

20 "(a) Violating or attempting to violate, directly or
21 indirectly, . . . any provision of this chapter.

22 ". . .

23 "(e) The commission of any act involving dishonesty or
24 corruption which is substantially related to the

25
26 1. Unprofessional conduct is that conduct which breaches
27 the rules or ethical code of the medical profession, or conduct
which is unbecoming of a member in good standing of the medical
profession, and which demonstrates an unfitness to practice
medicine.

1 qualifications, functions, or duties of a physician and
2 surgeon.

3 ". . ."

4 D. Section 2236(a) provides, in pertinent
5 part, that the conviction of any offense substantially
6 related to the qualifications, functions, or duties of
7 a physician and surgeon constitutes unprofessional
8 conduct within the meaning of this chapter. The record
9 of conviction shall be conclusive evidence only of the
10 fact that the conviction occurred.

11 E. Section 123.5 provides, in pertinent part,
12 that the board may request the administrative law judge to
13 direct any licensee found to have committed a violation or
14 violations of the licensing act to pay the board a sum not
15 to exceed the reasonable costs of the investigation and
16 enforcement of the case.

17 F. Section 16.01 of the 1996/1997 Budget Act
18 of the State of California provides, in pertinent part,
19 that: (a) no funds appropriated by this act may be
20 expended to pay any Medi-Cal claim for any service
21 performed by a physician while that physician's license
22 is under suspension or revocation due to a disciplinary
23 action of the Medical Board of California; and, (b) no
24 funds appropriated by this act may be expended to pay
25 any Medi-Cal claim for any surgical service or other
26 invasive procedure performed on any Medi-Cal
27 beneficiary by a physician if that physician has been

1 placed on probation due to a disciplinary action of the
2 Medical Board of California related to the performance
3 of that specific service or procedure on any patient,
4 except in any case where the board makes a
5 determination during its disciplinary process that
6 there exist compelling circumstances that warrant
7 continued Medi-Cal reimbursement during the
8 probationary period.

9 CAUSE FOR DISCIPLINE

10 4. Respondent Peter A. Ahles, M.D., is subject to
11 disciplinary action on account of the following:

12 A. On or about June 7, 1995, respondent attempted
13 to steal three pairs of pants from Nordstrom's in Costa
14 Mesa, California. In connection therewith, respondent
15 was arrested for violating Penal Code sections 484/488
16 (theft/petty theft). On or about June 22, 1995, in the
17 Municipal Court for the County of Orange, Harbor
18 Judicial District, State of California, a Complaint was
19 filed entitled *People v. Peter Aloys Ahles*, Case No.
20 95HM05439, charging respondent with violating Penal
21 Code section 484(a)/488, theft/petty theft.

22 B. On or about August 24, 1995, in the above
23 case, respondent pled guilty to the charges. The
24 imposition of sentence was suspended and respondent was
25 placed on probation for a term of two years.
26 Respondent was ordered to pay fines totalling \$640.00
27 and submit to search and seizure of person, auto,

1 property or residence by any peace officer at any time
2 or place without a warrant.

3 GROUND FOR DISCIPLINARY ACTION

4 FIRST CAUSE OF ACTION
5 (General Unprofessional Conduct)

6 5. Respondent has subjected his license to
7 disciplinary action under California Business and Professions
8 Code sections 2220, 2227, and 2234 in that he engaged in general
9 unprofessional conduct as more particularly alleged in paragraph
10 4, above, which is incorporated by reference and realleged as if
11 fully set forth herein.

12 SECOND CAUSE OF ACTION
(Dishonesty or Corruption)

13 6. Respondent has further subjected his license to
14 disciplinary action under California Business and Professions
15 Code sections 2220, 2227, and 2234(e) in that he has committed an
16 act or acts involving dishonesty or corruption which are
17 substantially related to the qualifications, functions and duties
18 of a physician and surgeon, as more particularly alleged in
19 paragraph 4, above, which is incorporated by reference and
20 realleged as if fully set forth herein.

21 THIRD CAUSE OF ACTION
22 (Conviction of a Crime)

23 7. Respondent has subjected his license to
24 disciplinary action under California Business and Professions
25 Code sections 2220, 2227, and 2236(a) in that he has been
26 convicted of offense which is substantially related to the
27 qualifications, functions and duties of a physician and surgeon,

1 as more particularly alleged in paragraph 4, above, which is
2 incorporated by reference and realleged as if fully set forth
3 herein.

4 PRAYER


5 WHEREFORE, complainant requests that the Division hold
6 a hearing on the matters alleged herein, and that following said
7 hearing, the Division issue a decision:

8 1. Revoking or suspending Physician's and Surgeon's
9 Certificate No. C29552, heretofore issued to respondent Peter A.
10 Ahles, M.D.;

11 2. Directing respondent Peter A. Ahles, M.D., to pay
12 to the Board a reasonable sum for its investigative and
13 enforcement costs of this action, and directing respondent, if
14 placed on probation, to pay the costs of probation monitoring;
15 and;

16 3. Taking such other and further action as the
17 Division deems appropriate to protect the public health, safety
18 and welfare.

19 DATED: October 23, 1996

20
21 
22 Ron Joseph
23 Executive Director
24 Medical Board of California
25 Department of Consumer Affairs
26 State of California

Complainant

26 03573160-SD96AD0347
27 ja/medical/ahles.acc